



SACHI A. HAMAI
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

"To Enrich Lives Through Effective And Caring Service"

Board of Supervisors
HILDA L. SOLIS
First District

MARK RIDLEY-THOMAS
Second District

SHEILA KUEHL
Third District


DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

8 November 3, 2015


PATRICK OGAWA
ACTING EXECUTIVE OFFICER

November 03, 2015

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVE THE INTRODUCTION OF AN ORDINANCE TO AMEND
THE GAS PIPELINE FRANCHISE GRANTED TO SOUTHERN CALIFORNIA GAS COMPANY
BY ORDINANCE NO. 6765, AS AMENDED, AND APPROVE AN AMENDMENT
TO AN AGREEMENT FOR THE PREVENTION AND ABATEMENT OF GRAFFITI
(ALL DISTRICTS)
(3 VOTES)**

SUBJECT

Approval of these actions will amend the gas pipeline franchise granted to Southern California Gas Company, and amend an agreement for prevention and abatement of graffiti with Southern California Gas Company, to extend the term of both through December 31, 2017.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that this project is categorically exempt under the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors on November 17, 1987, and Section 15301 (Existing Facilities) of the State of California Guidelines for implementation of the California Environmental Quality Act.
2. Approve the introduction of an ordinance to amend the gas pipeline franchise granted to Southern California Gas Company by Ordinance No. 6765, as amended, to extend the term of the franchise through December 31, 2017.
3. Introduce, waive reading, and place on the Board of Supervisors' agenda for adoption on November 10, 2015, the accompanying ordinance that implements the above recommendation, becoming operative January 1, 2016.

4. Approve and request the Mayor of the Board of Supervisors to execute the accompanying Amendment No. 4 to the Graffiti Abatement and Coordination Agreement, to extend through December 31, 2017, a program for prevention and removal of graffiti from the above-ground facilities of Southern California Gas Company.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of these recommended actions is for the County of Los Angeles (County) Board of Supervisors (Board) to adopt an ordinance to amend the gas pipeline franchise granted to Southern California Gas Company (SoCalGas), to extend the term of the SoCalGas franchise through December 31, 2017; to allow additional time to finalize proposed revisions to the County's franchise codes, and negotiate the terms and conditions of a new longer-term franchise with SoCalGas; to develop an additional cooperative agreement with SoCalGas, to establish protocols for coordination with the County during emergencies and natural disasters; and to approve Amendment No. 4 to the Graffiti Abatement and Coordination Agreement (Abatement Agreement) with SoCalGas, to extend the term of the Abatement Agreement concurrently with the term of the SoCalGas franchise, through December 31, 2017.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan Goal of Operational Effectiveness/Fiscal Sustainability (Goal 1) directs that we maximize the effectiveness of processes, structure, operations, and strong fiscal management to support timely delivery of customer-oriented and efficient public services. The Board's adoption of an ordinance to amend the SoCalGas franchise, and approval of an amendment to the SoCalGas Abatement Agreement is consistent with this goal.

FISCAL IMPACT/FINANCING

SoCalGas will continue to pay an annual franchise fee, and a municipal public lands use surcharge (surcharge) pursuant to California Public Utilities Code. SoCalGas paid an annual franchise fee of over \$1.5 million, and a surcharge of \$794,694 for the 2014 calendar year.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On September 20, 1955, the Board adopted Ordinance No. 6765, granting a 50-year County-wide gas pipeline franchise to SoCalGas that expired on October 20, 2005. The Board has adopted various ordinances to extend the term of the SoCalGas franchise, the most recent being Ordinance No. 2014-0051F, that extended the term of the SoCalGas franchise through December 31, 2015.

Upon the Board's adoption of the accompanying ordinance, the term of the SoCalGas franchise will be extended to December 31, 2017. Upon the Board's approval of the amendment to the SoCalGas Abatement Agreement, the term will be extended to run concurrently with the term of the amended SoCalGas pipeline franchise, through December 31, 2017.

The Department of Public Works has reviewed this recommendation and expressed no objections. The Interim County Counsel has reviewed the accompanying ordinance to amend the SoCalGas franchise and the amendment to the SoCalGas Abatement Agreement, and approved them as to form.

ENVIRONMENTAL DOCUMENTATION

This project is categorically exempt under the California Environmental Quality Act (CEQA) pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board on November 17, 1987, and Section 15301 (Existing Facilities) of the State of California CEQA Guidelines.

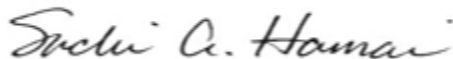
IMPACT ON CURRENT SERVICES (OR PROJECTS)

These actions will not impact or adversely affect any current services or future projects.

CONCLUSION

It is requested that the Executive Office, Board of Supervisors, send conformed copies of this approved Board recommendation, the adopted ordinance, and the adopted amendment to the Abatement Agreement, Attention: Ms. Sharon O'Rourke, Franchise and Fees Manager, Southern California Gas Company, 8141 Gulana Avenue, SC9585, Playa Del Rey, California 90293, and the offices of County Counsel, Department of Public Works, and the Chief Executive Office, Real Estate Division.

Respectfully submitted,



SACHI A. HAMAI

Chief Executive Officer

SAH:TT:CMM

KW:RB:ls

Enclosures

c: Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Public Works

**AMENDMENT NO. 4 TO THE GRAFFITI ABATEMENT AND COORDINATION
AGREEMENT BY AND BETWEEN SOUTHERN CALIFORNIA GAS COMPANY AND
THE COUNTY OF LOS ANGELES**

This Amendment to the Graffiti Abatement and Coordination Agreement ("Amendment No. 4" or the "Amendment") by and between Southern California Gas Company, a California Corporation ("SCG"), and the County of Los Angeles ("County"), is hereby made and entered into on the day, month and year it is fully executed by the County hereinbelow.

RECITALS

WHEREAS, the County is a duly organized subdivision of the State of California;

WHEREAS, the County in pertinent part provides law enforcement services to the unincorporated portions of the County of Los Angeles;

WHEREAS, SCG is a regulated public utility operating under the laws of the State of California;

WHEREAS, over the course of time, the County has attempted to control and remediate the problems associated with graffiti in the public rights-of-way and elsewhere;

WHEREAS, SCG's above-ground gas transmission and distribution facilities installed in the public right-of-way are particularly vulnerable to graffiti;

WHEREAS, SCG and the County entered into a Graffiti Abatement and Coordination Agreement on December 15, 2009;

WHEREAS, the Graffiti Abatement and Coordination Agreement, as amended, was to remain in effect through December 31, 2015.

NOW THEREFORE, in consideration of the foregoing recitals, which are hereby deemed a contractual part hereof, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the covenants and agreements hereinafter contained, the parties hereto and each of them do agree to amend the Graffiti Abatement and Coordination Agreement as follows:

SECTION 1. Section 12.0 of the Graffiti Abatement and Coordination Agreement is hereby amended as follows:

Section 12.0 Term of Agreement. This Agreement shall remain in effect through December 31, 2017, or until earlier terminated by the mutual written consent of SCG and the County.

SECTION 2. All undefined terms when used herein shall have the same respective meanings as set forth in the Graffiti Abatement and Coordination Agreement unless expressly provided otherwise in this Amendment No. 4.

SECTION 3. Each of the signatories for this Amendment No. 4 personally covenant, warrant and guarantee that each of them, jointly and severally, have the power and authority to execute this Amendment No. 4 upon the terms and conditions stated herein and each agrees to indemnify and hold the County harmless from all damages, costs, and expenses that result from a breach of this representation.

SECTION 4. In the event of a conflict between the terms and conditions of this Amendment No. 4 and the terms and conditions of the Graffiti Abatement and

Coordination Agreement, the terms and conditions of this Amendment No. 4 shall prevail. All other terms and conditions contained in the Graffiti Abatement and Coordination Agreement shall remain in full force and effect.

[END OF TERMS]

The foregoing was on this 3rd day of November, 20 15, adopted by the Board of Supervisors of the County of Los Angeles and ex-officio the governing body of all other special assessment and taxing districts, agencies, and authorities for which said Board so acts



COUNTY OF LOS ANGELES

By Mike Antonovich
Michael D. Antonovich, Mayor

ATTEST:

PATRICK OGAWA
Acting Executive Officer-Clerk
Of the Board of Supervisors

By [Signature]
Deputy

I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made.

PATRICK OGAWA
Acting Executive Officer
Clerk of the Board of Supervisors

By [Signature]
Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM
Interim County Counsel

By [Signature]
Deputy

IN WITNESS WHEREOF, Southern California Gas Company has caused this Amendment No. 4 to the Graffiti Abatement and Coordination Agreement to be executed on its behalf, effective on the day, month and year first written above.

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

8

NOV 03 2015

[Signature]
PATRICK OGAWA
ACTING EXECUTIVE OFFICER

**SOUTHERN CALIFORNIA GAS
COMPANY**, a California corporation

By: [Signature]

JIMMIE I. CHO

Print Name

SVP - GAS OPERATIONS + SYSTEM Integrity
Title